

EXHIBIT 10

MILWAUKEE GAS LIGHT COMPANYStatement in Response to
Request for Exhibit 92

In the course of the hearing, Exhibit No. 92 was reserved at the suggestion of the Staff for an exhibit to show the economic impact on Milwaukee Gas Light Company of the disposition of the Coke Company properties. We have sought to prepare such an exhibit but have concluded that it is wholly impractical.

We were confronted initially with the problem of having to assume some price which would be realized through the sale of the Coke Company properties. We have been unable to arrive at any figure in which we would have any confidence. If we were to assume an arbitrary price at which the Coke Company might be sold, we are faced with the problem of assuming the method of sale. For example, could we sell the stock of the Coke Company as such, or would we sell its physical properties or would another form of divestment be selected. A further element of uncertainty involved is whether the disposition to non-affiliated interests would be made by the Gas Company itself or whether the Coke Company stock might first be transferred to American Natural Gas Company and thereafter disposed of by it. The stock of the Coke Company is pledged under our Indenture of Mortgage and any disposition must conform to the provisions for release of such stock.

Depending on the form the disposition took, we would have to make assumptions as to whether the properties could or would be sold subject to the existing contract for the sale of coke-oven gas to the Gas Light Company. We believe that whichever way a sale might be arranged, the matter of the contractual arrangements between the Coke Company and the Gas Company would be subject to negotiation, and we consider it impractical to estimate the extent to which the Gas Company costs for coke-oven gas might be increased by such negotiation. We have indicated in our testimony that we believe the cost of coke-oven gas to the Gas Company and the cost of standby might be materially increased and we do not feel that we can add to the statement of our reasons for that belief given by Mr. Brenner in the course of his testimony. We have testified with respect to our contractual obligation to supply gas to the Sewerage Commission of the City of Milwaukee and have pointed out that the arrangement pursuant to which the disposition of the Coke Company might be made would vitally affect our operation under that contract and the cost thereof to us.

An additional element of uncertainty arises from the possibility that a purchaser of the Coke Company might seek outlets for surplus gas in competition with us. We believe that such a possibility is economically unlikely, but we are unable to dismiss it as a possibility. We know what the past earnings of the Coke Company have been and they are in the Commission's files. We cannot determine whether future economic conditions will be better or worse than in the past, and the impact of the loss of the Coke Company dividends depends upon what the dividends would be if it were retained. We believe that the staff is in as good a position to estimate that as we are.

In short, as we pointed out at the hearing, the basic assumptions which would have to be made to prepare an estimate of the economic impact of the disposition of the Coke Company are so many and varied, and the bases for such assumptions are so uncertain that we believe no meaningful exhibit can be prepared. Accordingly, we trust that this statement will constitute a satisfactory response to the Staff's request for an exhibit showing the economic impact on the Gas Company of the disposition of the Coke Company.